

Congressman Scott Taylor

Please print, sign and mail/fax to our office.

Name: **Jacob Queern**

Date: **2018-07-11**

Agency involved: **Defense Logistics Agency Troop Support**

Numbers Identifying Case (VA claim, Alien number, tax ID, etc.): **§33.103(f)(3) & §126.801(c)(2)**

Branch of Service (If Applicable): **Na**

Military Rank (If Applicable): **Na**

Date of Birth:

Social Security #

Street Address: **2404 Arctic Ave, Suite 2**

City, State, Zip Code: **Virginia Beach, VA 23451**

Telephone #: **7576331206 Voice**


Email Address: **jqueern@jeqandco.com**

I, **Jacob Queern**, authorize the **Defense Logistics Agency Troop Support** to release personal information to Congressman Scott Taylor United States Representative. I authorize Congressman Scott Taylor to request and have access to all records and reports pertinent to my request for his assistance in the following matter:

Nature of Problem: **Please find attached FOIA and Regarding: Communication through Congressional Representative Scott Taylor's Office."**

PLEASE NOTE:

The Privacy Act of 1974 requires that Members of Congress or their staff have written authorization before they can obtain information about an individual's case. We must have your signature to proceed with a casework inquiry.

Signature:  _____

Date: **07/11/2018** _____

Print, and then mail or fax your request to Congressman Scott Taylor at the following address.

Please mail your form to:

Office of Congressman Scott Taylor

Attn: Constituent Services

412 Cannon House Office Building

Washington, DC 20515

Phone: 202-225-4215



JEQ & CO LLC

JEQ&CO, LLC
2404 Arctic Ave, Suite 2
Virginia Beach, VA 23451
CAGE 7B1T4

July 11, 2018

DLA Troop Support
700 Robbins Ave, Bldg 36
Philadelphia, PA 19111-5096
DLATroopSupportFOIArequest@dla.mil

Regarding:

Title 48 → Chapter 1 → Subchapter E → Part 33 → Subpart 33.1 → § 33.103(f)(3)

In addition to

IAW Title 13 → Chapter I → Part 126 → Subpart H → §126.801(c)(2)

In addition to

Dear Avation,

Please find enclosed: “Regarding: Communication through Congressional Representative Scott Taylor’s Office.”

IAW Title 32 → Subtitle A → Chapter I → Subchapter N → Part 286 → Subpart E → §286.8(d)

Aggregating requests. For the purposes of satisfying unusual circumstances under the FOIA, DoD Components may aggregate requests in cases where it reasonably appears that multiple requests, submitted either by a requester or by a group of requesters acting in concert, constitute a single request that would otherwise involve unusual circumstances.

Please aggregate this group of requests acting in concert and certainly involves unusual circumstances



**IAW Title 32 → Subtitle A → Chapter I → Subchapter N → Part 286 → Subpart E
→ §286.8(e)(1)(i)(B)**

(B) The information is urgently needed by an individual primarily engaged in disseminating information in order to inform the public concerning actual or alleged government activity.

and **(ii)(A)** due process rights in the form of the investigation of JEQ&Co LLC's HUBZone Certification

IAW Title 32 → Subtitle A → Chapter I → Subchapter N → Part 286 → Subpart E → §286.12

(I)(1)(2) Requester seeks a waiver or reduction of fees but is willing to provide payment for this FOIA should the Heads of Components deny the request. Justification for waiver IAW §286.12 **(I)(1)(2)** can be found in the enclosed:

Please provide copies of all "stop work" orders issued IAW §33.103(f)(3) that meet the following specific criteria:

1. As a result of CAGE 7B1T4 initiating a protest IAW §33.103(d)(2)
2. Between the dates of March 1, 2017 to the current date.

By e-mail in .pdf format.

In addition, please provide copies of correspondence demonstrating

IAW Title 13 → Chapter I → Part 126 → Subpart H → §126.801(c)(2)

The contracting officer submitted the protests filed by CAGE 7B1T4 to the D/HUB.

By e-mail in .pdf format.

Lastly, please provide the agency's responses to the protests made by 7B1T4.



JEQ & CO LLC

JEQ&CO, LLC
2404 Arctic Ave, Suite 2
Virginia Beach, VA 23451
CAGE 7B1T4

Thank you

Jacob Queern
Principal
JEQ&CO LLC
2404 Arctic Ave
Suite 2
Virginia Beach, VA 23451
CAGE 7B1T4
(O/C): +1(757)633.1206
(F): +1(757)425.1841

Enclosures (1)





July 3, 2018

Defense Logistics Agency
Headquarters
8725 John J. Kingman Road
Fort Belvoir, VA 22060

Regarding: Communication through Congressional Representative Scott Taylor's Office.

Dear Mr. Beebe,

Please find enclosed:

- (1) Regarding: Systematic injury of JEQ&Co LLC by The Defense Logistics Agency (DLA) in cooperation with the Small Business Administration (SBA)]
- (2) **Letter from you to my congressional representative, Scott Taylor (VA, 2)**

Thank you very much for your return correspondence with respect to what I would consider an ongoing systematic bias and exclusion perpetrated by the Defense Logistics Agency (DLA) against JEQ&Co LLC (JEQ). For the following reasons, I respectfully disagree with your assertion, however, that the contracting officers are correctly applying the guidelines set forth in the Federal Acquisition Regulation (FAR) subpart 15.404-1(b) in regard to voluminous cases that all share the six specifics [outlined (i.c.i. – vi) in the enclosed memo titled

Regarding: Systematic injury of JEQ&Co LLC by The Defense Logistics Agency (DLA) in cooperation with the Small Business Administration (SBA)]

for the following reasons.

In your enclosed reply to my initial outreach, you state:

"In each case, the contracting officer, using pricing guidelines set forth in the Federal Acquisition Regulation (FAR) subpart 15.404-1(b), makes a determination as to whether the price offered by a HUBZone concern is a fair market price. In making that determination, the FAR pricing guidelines



allow the contracting officer to consider prices offered by all small businesses that submitted offers and to consider price history, and not just prices from HUBZone small businesses.”

(FAR) subpart 15.404-1(b) states:

“(b) Price analysis for commercial and non-commercial items. (1) Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. Unless an exception from the requirement to obtain certified cost or pricing data applies under 15.403-1(b)(1) or (b)(2), at a minimum, the contracting officer shall obtain appropriate data, without certification, on the prices at which the same or similar items have previously been sold and determine if the data is adequate for evaluating the reasonableness of the price (emphasis added). Price analysis may include evaluating data other than certified cost or pricing data obtained from the offeror or contractor when there is no other means for determining a fair and reasonable price. Contracting officers shall obtain data other than certified cost or pricing data from the offeror or contractor for all acquisitions (including commercial item acquisitions), if that is the contracting officer's only means to determine the price to be fair and reasonable.”

Contrary to your assertion, §15.404-1(b) makes no mention of:

the FAR pricing guidelines allow the contracting officer to consider prices offered by all small businesses that submitted offers and to consider price history, and not just prices from HUBZone small businesses.”

The Defense Logistics Agency Directive – Effective May 17, 2018 states (DLAD):

“L12 Prescription: 19.301(S-91) Use procurement note L12 for automated solicitations valued over the micro-purchase threshold and less than or equal to the SAT; or when an exception to the rule applies, and a set-aside to a HUBZone small business concern or small business concern is anticipated.

L12 Combined Historically Underutilized Business Zone (HUBZone)/Small Business Set-Aside Instructions – Type 1 (AUG 2017)



(1) This solicitation is restricted to HUBZone small business concerns, small business concerns, and Federal Prison Industries (FPI). The Government encourages all small business concerns to submit quotations. *The Government will make awards based on the following order of set-aside precedence:*

- a. *HUBZone small business concerns (Federal Acquisition Regulation (FAR) clause 52.219-3).*
- b. *(b) If no qualified quote* (emphasis added) is received from a HUBZone small business concern at a fair market price, small business concerns (FAR 52.219-6) or FPI (FAR 52.219-6, Alternate II).

(2) The FAR clauses contained in this procurement note (except paragraph (b) of 52.219-3) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

§ 52.219-3 (c) states:

"General. (1) Offers are solicited only from HUBZone small business concerns. Offers received from concerns that are not HUBZone small business concerns will not be considered.

(2) Any award resulting from this solicitation will be made to a HUBZone small business concern."

Taking into account a more literal reading of §15.404-1(b) in parallel with § 52.219-3, it occurs to me that Procurement note L12 (L12) within the DLAD is meant to make it possible for a contracting officer to have an avenue for the sourcing of an item in the form of a small business concern (SBC) if - and only if according to the procurement history of an item - a fair and reasonable quote has not been supplied by a HUBZone Certified Concern (H2C). That is demonstrably not what is happening where JEQ is concerned and I can support that assertion with copious evidence if you will allow me to provide it in a manner that is agreeable to your system security requirements. Rather, at least in cases where JEQ is concerned, L12 is being used to consider all offers made on a solicitation and make award to any offeror lower than the offer made by JEQ which I think you'd agree is not within the spirit of a solicitations that are set aside for a specific socio-economic class.

Please read the entire enclosed memo titled:

Regarding: Systematic injury of JEQ&Co LLC by The Defense Logistics Agency (DLA) in cooperation with the Small Business Administration (SBA)



JEQ & CO LLC

JEQ&CO, LLC
2404 Arctic Ave, Suite 2
Virginia Beach, VA 23451

The entire document is germane to the ongoing and systematic bias and exclusion perpetuated by DLA toward JEQ but please take particular notice of the highlighted portion on pages four and 5.

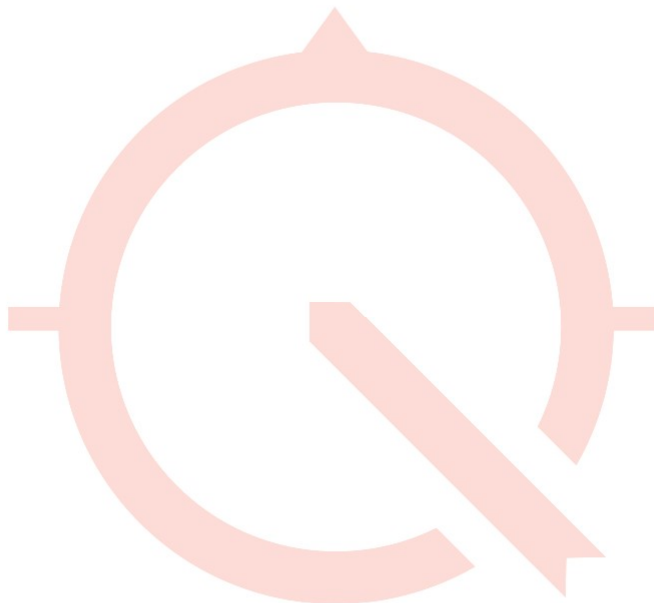
Also, I would encourage you to establish a link directly with me by e-mail at my e-mail address which can be found in this letter's closure.

Thank you for your consideration and I look forward to your feedback regarding this matter.

Sincerely,

Jacob Queern
Principal
JEQ&CO LLC
CAGE 7B1T4
(O/C): +1(757)633.1206
(F): +1(757)425.1841
jqueern@jegandco.com

Enclosures (2)





June 29, 2018

Potential Attorneys
Media Figures
Law Enforcement Agencies
Procurement Agents.

Regarding: **Systematic injury of JEQ&Co LLC by The Defense Logistics Agency (DLA) in cooperation with the Small Business Administration (SBA)**

To whom it may concern:

The purpose of this memo is to outline facts surrounding

I. Systematic Bias and Exclusion toward CAGE 7B1T4 by (In order of egregiousness)

- a. DLA Troop Support
- b. DLA Land and Maritime
- c. DLA Aviation

solicitations to procure materials posted in DIBBs that share the following traits

- i. The request for quotation was set aside for HUBZone Certified Concerns
- ii. JEQ&Co made a fair and reasonable quotation on the solicitation based on procurement history
- iii. Contrary to the DLAD Prescription for procurement note L12 in the [attached DLAD Procurement Notes](#), the resulting award was made to a company that did not hold a HUBZone Certification
- iv. The quotation provided by JEQ&Co was over the micro-purchase threshold (MPT) and under the set aside threshold (SET)
- v. JEQ&Co LLC made timely protest to the erroneous award. [\(Example\)](#)
- vi. the resulting response from the DLA was nonsensical and did nothing to remediate JEQ&Co LLC for the injury

The link within this statement should take you to a shared folder containing 17 examples that all share that same specific pattern and substantiate my claim. Each folder beginning with "00..." is a PR assigned to a solicitation



and each should contain

1. the solicitation
2. the quote made by 7B1T4 in DIBBS
3. traceability
4. Tech docs (if there were any)
5. The erroneous award
6. The Timely protest
 - a. And in some cases examples of where I proactively sent [traceability](#) to the individual listed on the solicitation prior to the awards return date with language to the effect:

Please see the attached as follows:

- i. Solicitation expiring at 1500 today ending "...860"
- ii. Demonstration that
 1. 7B1T4 is HUBZone Certified
 2. By virtue of being HUBZone Certified, it's impossible for 7B1T4 to be a "foreign bad actor"
- iii. Trace from 7B1T4 → 56529 "HII..."
- iv. Fair and reasonable quotation provided by 7B1T4 in DIBBs

I should point out that within those proactive traces I also provide the documentation I'm referencing as attachments. I've attached one of them in this e-mail for example. This particular example (0073702254) is especially illustrative of the phenomenon I'm describing because you can see where I am showing the individuals in the decision making process

- v. 7B1T4 sends proactive trace to DLA on 04/9/2018
 1. Award issued 04-09-18 To Hydraulics Intl
 2. Hydraulics Intl does not have a HUBZone Certification
 3. provided a significantly lower quote to DLA than they did to JEQ&Co
 4. Which could have been seen in the proactive trace
 5. And is a Robinson-Patman violation according to the Federal Trade Commission's antitrust laws
 6. According to the prescription for procurement note L12, the wrong decision was made (attached "L06 Protest...")
04/11/18
- vi. On 5/18/2018 I receive a letter from Linda Kelly, Director Procurement Process Support



JEQ&CO, LLC

2404 Arctic Ave, Suite 2
Virginia Beach, VA 23451

acknowledging that – indeed – an error was made and as corrective action they would reconsider the quotes received under that solicitation

- vii. 06/25/2018 DLA reconsiders and makes the decision that no corrective action needs to be taken after all
 - 1. Probably more than likely because they never stopped work on the award
 - 2. And it's likely that DLA also didn't act IAW 126.801(c) (2)
 - viii. 06/26/2018 JEQ & Co LLC points out to the DLA that Hydraulics International violated the Robinson-Patman Act
 - ix. DLA tells JEQ&Co LLC that if the Agency's ignorance of their own procurement rules are an issue, JEQ&Co LLC can take it up with the GAO
 - x. If this were an isolated incident, JEQ&Co LLC would not raise it as an issue.
- vii. [In the folder](#), 17 individual DLA PRs should be visible that all share the same 6 attributes as can be seen under I.C highlighted above but those 17 examples are
- 1. just a small fraction of the injustices endured by JEQ&Co.
 - a. in the roughly 16 months since becoming HUBZone Certified, CAGE 7B1T4 has won approximately 20 solicitations
 - b. by a factor of what JEQ&Co estimates is 6 (somewhere around 120 times) awards that fit the six highlighted criteria
 - c. representing what I estimate is at a minimum of \$500,000 and maybe as much as \$1,000,000.00 in lost revenue in total injury
 - 2. About 12 twelve weeks ago, it became clear that there's little point in focusing on bidding on solicitations so much anymore until DLA honors it's own procurement guidelines and JEQ&Co can receive fair treatment. JEQ&Co has pursued numerous avenues in creating a remedy for this injustice to include
 - a. The CO's themselves
 - b. The HCOs
 - c. The small business offices of
 - i. DLA Troop Support
 - ii. DLA Land and Maritime



JEQ&CO, LLC

2404 Arctic Ave, Suite 2
Virginia Beach, VA 23451

- iii. DLA Aviation
- d. The HUBZone advocates at
 - i. Aviation &
 - ii. Land and maritime
 - iii. (Troop Support does not appear to have one. More on Troop Support to come)

who it's worth noting have been wonderful in their willingness to hear what's happening but have almost no ability to affect change

- e. The Small Business Administration (SBA)
 - i. Which in addition to having no ability to remedy this situation
 - ii. Sent JEQ&Co LLC notification that the HUBZone status of JEQ&Co had been protested by DLA Troop Support
 - 1. Which is on going
 - 2. The evidence of which DLA Troop Support claimed they were basing their allegations was not included in the documentation Troop Support provided to the SBA
 - a. As such, the protest should have been dismissed as lacking specificity
 - b. The Director of HUBZone's (D/HUB) failure to substantiate that evidence lends itself to incompetence
 - c. The failure of D/HUB to dismiss the protest for lacking specificity
 - i. after being notified by JEQ&Co that the claim DLA Troop Support was not supported by the documentation given to the SBA
 - ii. and being provided direct evidence to demonstrate that the claim Troop Support was making was not based in fact



JEQ&CO, LLC
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iii. lends itself to complicity in
an attempt to injure
JEQ&Co LLC

iv. seems like it might be
criminal in nature (???)
especially given SBA's
stated mission of advocacy
for Small Businesses.

3. Government agencies filing HUBZone Status
protests of firms is extremely rare

a. They're more than likely usually filed by
other HUBZone Certified concerns (i.e.
the 100 + HUBZone Status protests filed
by JEQ&Co in the past 16 months

b. JEQ&Co has made several(pending) foia
requests

i. all HUBZone Status Protests
made by dla Cos of a SBC
between 06/14/17 – 0614/18

ii. All HUBZone Status Protests
made by Cos at troop support of
a SBC between 06/14/17 –
0614/18

iii. All HUBZone Status Protests
made by Rebecca Bacon of a
SBC between 06/14/17 –
0614/18

iv. All HUBZone status protests
initiated by JEQ&Co and
forwarded to the SBA 06/14/17
– 0614/18. JEQ&Co made at
least 100 is willing to bet DLA
didn't follow 126.801 (c) (2) for
more than half

4. Lends itself to an effort by DLA Troop Support
trying to resolve their inability to correctly apply
the prescription for Procurement note L12 by

a. Working in cooperation with the SBA to
Have JEQ&Co LLC's HUBZone Certification
revoked

b. Making it impossible for JEQ&Co LLC to
protest the erroneous decisions of the
DLA

c. Rather than fixing



JEQ & CO LLC

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2404 Arctic Ave, Suite 2
Virginia Beach, VA 23451

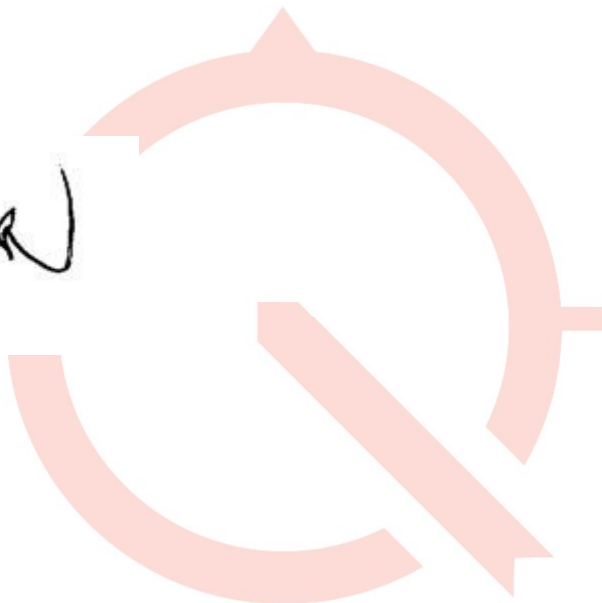
- i. The root of the problem
 - ii. The DLA's inability to apply the DLA Procurement note L12 correctly
- f. The SBA office of the Ombudsman
 - g. None of the aforementioned avenues have been able to make any meaningful impact to correct the problem

Thank you for your interest in this matter.

Sincerely,



Jacob Queern
Principal
JEQ&CO LLC
CAGE 7B1T4
(O/C): +1(757)633.1206
(F): +1(757)425.1841
[iqueern@jeqandco.com](mailto:iqueuen@jeqandco.com)





DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

The Honorable Scott Taylor
U.S. House of Representatives
Washington, DC 20515

JUN 19 2018

Dear Representative Taylor:

THIS IS IN RESPONSE TO YOUR INQUIRY, MAY 31, 2018, ADDRESSED TO MR. GORDON TAYLOR, Deputy Director for the Defense Logistics Agency's (DLA) Office of Legislative Affairs, on behalf of your constituent, Mr. Jacob Queern, of JEQ & Co. Logistics Solutions (JEQ), which is a HUBZone small business. Mr. Queern contends that DLA's contracting officials improperly evaluated JEQ's quotations, resulting in his company being bypassed for contract awards, that DLA is unresponsive to his bid protests, and that DLA fails to refer his size protests to the Small Business Administration (SBA). Your inquiry was forwarded to DLA Acquisition for reply since this Directorate is responsible for policy compliance.

Regarding Mr. Queern's contention that DLA's contracting officials improperly evaluated JEQ's quotations, the Agency addressed this issue in response to numerous bid protests filed with the Agency by Mr. Queern. Mr. Queern was informed that the HUBZone Small Business Set-Aside provision in the solicitations provides that an award will be made to a HUBZone small business concern unless no qualifying quote is received from a HUBZone entity at a fair market price. In each case, the contracting officer, using pricing guidelines set forth in Federal Acquisition Regulation (FAR) subpart 15.404-1(b), makes a determination as to whether the price offered by a HUBZone concern is a fair market price. In making that determination, the FAR pricing guidelines allow the contracting officer to consider prices offered by all small businesses that submitted offers and to consider price history, and not just prices from HUBZone small businesses.

Concerning the disposition of bid protests, DLA's contracting officials work assiduously to respond in a timely manner. In some cases, where the reviewing officials determined that a particular evaluation was erroneous or lacked adequate documentation, the Agency took corrective action, which may include re-evaluating the award decision or cancelling the award. In other cases, the reviewing official dismissed the protests because the prices quoted by JEQ were not considered fair market prices, as discussed above. When JEQ protested the appropriate small business size status of a competitor that received an award, and that award was not cancelled, the contracting officer forwarded the size protest to the cognizant SBA Office for decision. In fact, the SBA recently issued a decision on a JEQ size protest that was referred by a DLA contracting official.

DLA values the contributions of HUBZone small businesses, such as JEQ, in assisting DLA's mission of support to the Warfighter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew R. Beebe', written over a horizontal line.

MATTHEW R. BEEBE
Director of Acquisition